

NEWS RELEASE

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For Immediate Release

FEBRUARY 3, 2006

HUSBAND AND WIFE CONVICTED OF CRIMINAL CONTEMPT OF COURT FOR CONCEALING ASSETS IN BANKRUPTCY

Edward E. McNally, United States Attorney for the Southern District of Illinois, announced today that on January 26, 2006, **WILLIAM DOUGLAS FRANKLIN**, age 51, and **MARTHA JEAN FRANKLIN**, age 47, of Thebes, Illinois, plead guilty to a one-count information charging both with criminal contempt of court by filing a false bankruptcy petition with the intent to conceal assets, concealing assets, and thereafter testifying falsely under oath in the bankruptcy proceeding, in violation of Title 18, United States Code, Section 401(3). The violation took place from February, 25, 2000 to March 31, 2000, in Franklin County, Illinois.

The One Count Information carries a penalty of up to 1 year's imprisonment, a fine of up to \$100,000.00, or both, and a term of 1 years supervised release. The Franklins are scheduled to be sentenced on April 27, 2006.

The charge against the Franklins resulted from a collaborative effort among federal enforcement agencies to combat fraud and abuse in the bankruptcy system. Members of the Southern Illinois Bankruptcy Fraud Working Group include representatives of the United States Attorney's Office for the Southern District of Illinois; Office of the United States Trustee for Indiana and Southern and Central Illinois (Region 10); Federal Bureau of Investigation; Internal Revenue Service; United States Postal Inspector Service; Social Security Administration; and Health and Human Services, among others, including, in the instant case, the United States Department of Labor Office of Labor Racketeering.

United States Attorney McNally stated, "Fraud on the bankruptcy courts threatens to undermine access to the court of those truly in need of bankruptcy protection. It also can prevent creditors from vindicating their rights to repayment from those who are abusing the system. We are, therefore, strongly committed to seeing that where there is abuse, it is prosecuted to the fullest extent the law permits."

"Criminal contempt of court, which includes criminal bankruptcy fraud, such as filing a false bankruptcy petition and concealing assets from the Bankruptcy Court, threatens the integrity of the bankruptcy system as well as public confidence in that system," stated Nancy J. Gargula, United States Trustee for Indiana and Southern and Central Illinois (Region 10). "The Bankruptcy Fraud Working Group represents a united effort to combat fraud and abuse in the bankruptcy system. We very much appreciate United States Attorney Ronald McNally's leadership and commitment to this goal." The United States Trustee Program is the component of the Justice Department that protects the integrity of the bankruptcy system by overseeing case administration and litigating to enforce the bankruptcy laws.

The case is being prosecuted by Assistant United States Attorney, Robert L. Simpkins.